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Texas Cattle Feeders Association Comments on Supply Chains for the Production of Agricultural Commodities and Food Products

Texas Cattle Feeders Association (TCFA) appreciates the opportunity to submit comments in response to the Agricultural Marketing Service (AMS) Notice on Supply Chains for the Production of Agricultural Commodities and Food Products published on April 21, 2021, and TCFA looks forward to working with the U.S. Department of Agriculture (USDA) on initiatives to bolster cattle and beef supply chain resiliency under President Biden's "America's Supply Chains" Executive Order 14017.

TCFA is an agricultural trade association representing 200 beef cattle feedyards in Texas, Oklahoma, and New Mexico and approximately 4,000 cattle feeders across the United States. TCFA members feed and market six million head of cattle annually, which accounts for roughly 28 percent of the nation's fed beef production. Given the complexity and diversity of domestic cattle and beef production and the varied issues facing each segment of production, it is important to note that these comments should not be considered all-inclusive but are reflective of TCFA's priorities and some of the current challenges facing US cattle producers.

Cattle Feeding and Production Overview

Cattle feeding is the final step in the U.S. cattle production system. Some feedyards purchase cattle to feed, some feed cattle for customers (ranchers who want to add value to their cattle or individuals that buy cattle to feed), and some do both. Cattle are sourced from all over the country and transported by truck to the feedyard where they are provided continuous access to water, feed, and care. Traditionally, cattle enter a feedyard weighing 700 to 800 pounds. These cattle are transitioned from a mostly roughage diet (grass, wheat, hay) to a higher energy diet of grains, roughage, distillers grains, by-products of human food production, fat, vitamins, and minerals. The ration is carefully calculated by a cattle nutritionist to boost growth and muscle development. Throughout the feeding period, typically six months, veterinarians and trained feedyard employees continuously monitor the health of the cattle and provide treatment if necessary. Once the cattle reach a market weight of roughly 1,400 pounds, they are sold and transported to a packing plant to be harvested.

The U.S. cattle production system is the most efficient in the world. The U.S. produces 18 percent of the world's beef with just 6 percent of the world's cattle, and thanks to improved productivity, technology, genetics, and nutrition, today's cattle farmers and ranchers produce the same amount of beef with 36 percent fewer cattle, compared to 1975.

Critical Goods for Pre-Harvest Supply Chain

Livestock / Livestock Genetics: Purebred and commercial cow/calf operations produce the integral commodity for the entire cattle and beef supply chain. Without these cattle, there is no beef supply chain. The U.S. cattle sector consists of roughly 93 million head of cattle raised in all 50 states, with vast geographic and climatic diversity that provides opportunities for producers to use different cattle breeds to produce high-quality beef. Less than two percent of the cattle being raised in the U.S. are foreign-born, but live cattle imports from Mexico and Canada are important segments of the supply chain in certain regions of the country.

While some producers use purebred genetics, there are many crossbred or composite cattle that are created to maximize strengths of different breeds. We know the genetics of some breeds contribute to more tender steak while other breeds of cattle are known for production qualities such as calving ease, growth efficiency or increased muscle mass. Each level of the pre-harvest supply chain depends heavily on the safety, health, and quality of each animal. Properly caring for cattle increases the likelihood that a carcass will grade better upon slaughter and yield greater economic return.

Animal Health: A primary goal for cattle production at each level within the supply chain, animal health is prioritized in all cattle operations. While some aspects of animal care may vary due to the complexity of the beef lifecycle and the geographic variation across the country, the total commitment to optimal animal care remains consistent among beef cattle farmers and ranchers. Cattle producers work closely with their veterinarians to properly apply scientific advancements and innovations for animal health into their operations. Preventive health care in the form of herd health programs, vaccinations protocols, disease control, nutritional management, and low stress handling practices contribute to healthier cattle and result in increased stewardship of resources. For over thirty years, cattlemen and women have promoted and subscribed to Beef Quality Assurance (BQA) program standards in such areas as cattle care and handling, feed lot management, transportation, and antimicrobial stewardship. The industry actively promotes the national BQA program to provide greater guidance for producers in these areas and to assure a high quality of production nationwide for beef cattle. The BQA program is a nationally coordinated, state-implemented program that provides accepted scientific knowledge coupled with common-sense husbandry techniques to raise cattle under optimum management and environmental conditions. BQA exists as the gold standard to ensure that cattle in the United States remain healthy, are raised humanely, and beef is wholesome and safe for consumers.

Work Force – Cattle Producers & Employees: Cattle production is a family-centered business with 91 percent of cattle operations being family-owned and operated. And, many of the other ownership structures are comprised of multiple families or employees. In some operations, the owner may handle all aspects of the operation with the aid of family members or a few employees, while in others, a team of employees (some with advanced degrees) is responsible for different aspects of the operation. Regardless of the size or structure of the cattle operation,

fair compensation and employee safety are paramount. The work is hard, and it is often difficult to recruit new, younger employees to rural areas to fill employment vacancies. Whether its cowboys, welders, fabricators, book keepers, feed delivery drivers, or mill operators, cattle producers often have to compete with other sectors (dairy, oil & gas, construction) for qualified workers, and as a result, pay highly competitive wages. The average wage of an employee at a TCFA member feedyard (excluding feedyard managers) is more than twice the current minimum wage, yet almost half of the feedyards report they are not fully staffed. Changes to the H-2A program to include year-round labor is one viable solution to the current labor shortage.

According to the checkoff-funded Sustainability Lifecycle Assessment, there was a 32 percent reduction in occupational illness and accidents between 2005 and 2011. This achievement was the product of many segments of the supply chain improving their protocols, including the packing plant sector. Additionally, the implementation of BQA animal handling programs also creates a safer environment for both the employees and the cattle. TCFA's Employee Safety Services Program is designed to assist feedyards with developing a comprehensive employee safety program, inclusive of Standard Operating Procedures, periodic safety inspections, safety seminars and hands-on safety training. The TCFA safety team provides employee training at feedyards across Texas, Oklahoma and New Mexico, with more than 5,000 employees receiving training each year.

Work Force – Veterinarians: Cattle operations throughout the supply chain employ or retain veterinarians who supervise all aspects of cattle health and direct the treatment protocols. Veterinarians serve as integral members of the cattle health team on beef cattle operations and ensure the best animal husbandry, preventative health, and disease treatment practices for cattle. However, a shortage of veterinarians practicing food animal medicine currently exists in rural areas across the country due to a number of factors including, the retirement of practitioners, the limited number of graduates with a focus on food animals, and the cost of veterinary education. Thankfully, Texas Tech University has established a new veterinary school in Amarillo, Texas, and Texas A&M University has expanded its college of veterinarian medicine by establishing a campus in Canyon, Texas. Both will focus on graduating veterinarians who wish to reside in rural communities and practice food animal medicine.

Work Force – Nutritionists: Feedyards and other cattle operations also utilize the expertise of beef cattle nutritionists to ensure that cattle receive the optimum nutritional requirements based on their life/production stage and caloric and mineral needs. These scientists work closely with producers and veterinarians to ensure efficient growth and animal well-being.

Feed/Feed Additives: The diet of beef cattle contributes to the efficient growth of the animal and the production of wholesome, delicious, and nutritious beef. Cattle spend most of their lives grazing on grass and are finished in a feedyard, as described earlier. Feedyards may grow some feedstuffs, purchase them from neighboring farmers, and/or rail them from other areas of the country where they are more abundant. Producers must consider the price and availability of the commodities when working with the nutritionist to formulate the ration. Floods, droughts, and rail capacity can impact prices. Vitamins and minerals are also purchased for use in beef cattle production. Unfortunately, most of the vitamin production takes place in other countries, leaving beef cattle producers vulnerable to market interruption, as was the case with Vitamin A in 2017.

Access to Capital: Cattle operations are capital intensive operations, and there is no guarantee of a return on the investment. Weather-related disasters and market volatility are all too common and can overwhelm even the best business plan. Access to capital is one of the most important factors in any cattle operation. While USDA offers some support for beginning farmers and ranchers, other sources of capital are needed to purchase cattle, equipment, animal health products, feed, and other goods and services that are necessary for the operation. Healthy community banks and the Farm Credit System are vital to the success of cattle operations and all agricultural businesses. Unfortunately, the recent one-size-fits-all approach to banking regulations has harmed these institutions.

Transportation: Cattle rarely spend their entire lives on one operation. In fact, cattle are often moved by truck to different locations based on available forage and their life/production stage. Livestock haulers are skilled drivers who are critically important to the cattle supply chain because they understand how to safely load, transport, and unload cattle at each destination. Proper handling and transportation of cattle can reduce sickness in calves, prevent bruises, and improve the quality of the meat from these animals. The BQA Transportation Program provides training specific to livestock haulers. In addition, trucks and rail are also essential for moving feedstuffs.

Post-Harvest Supply Chain (Beef Supply Chain)

Work Force – Skilled Labor in Packing Plants: The beef supply chain cannot function properly without a steady supply of skilled labor. Changes to visa and asylum programs could help alleviate some of the labor shortages experienced pre-COVID and post-COVID, but the federal government must provide communities with resources to assist these individuals and reduce the burden on local infrastructure. This includes allowing appropriate flexibilities to address near-term in-plant shortages, providing additional resources for workforce training and development for highly skilled technical workers, in-plant line operators, meat scientists, and veterinarians alike, and other potential regulatory changes to assist our year-round cattle industry overall in closing the gaps in our ongoing labor shortage.

Work Force – Federal Employees: Under the Federal Meat Inspection Act and related legislation, all meat, poultry, and egg products produced in the U.S., or imported meat products, must be inspected by a federal food safety inspector and that service must be paid for by the federal government. Without federal food safety inspection, no product can be sold or shipped interstate. FSIS inspectors and AMS graders are vitally important to the supply chain, and we encourage the government to continue designating them as essential staff who will not be subject to government shutdowns.

Impact of COVID-19 on the Cattle and Beef Industry, and the Industry's Response

As 2020 began, the cattle industry was cautiously optimistic about opportunities for profitability. Supply fundamentals were trending bullish, with plentiful grain, relatively low feed costs, record low unemployment and encouraging news relative to expanded foreign market access, and as a result, prospects looked promising for U.S. cattle producers. Unfortunately, in part due to the complex and highly fragmented nature of the cattle/beef supply chain, the COVID-19 pandemic created a unique set of challenges for each segment of our industry. Further, this extreme

market volatility resulted in disproportionate economic harm for cattle ranchers and farmers, with initial estimates projecting roughly \$13.6 billion in total economic damage. The fallout would have been much worse and more cattle operations would have folded without the CFAP and PPP programs.

Throughout the pandemic, TCFA worked closely with stakeholders across of the cattle and beef supply chain to preserve continuity while at the same time prioritizing the health and safety of those who produce, process, and deliver beef, as well as the safety of live animals and beef products alike. Moving forward, TCFA hopes to work closely with the Biden Administration to build and improve upon existing COVID-19 response efforts, including but not limited to the following:

Supply Chain: For cattle producers, the most damaging effect of the pandemic, by far, was the temporary closure of, and slowdowns at, beef processing facilities. It is estimated that at the height of slowdowns the industry realized a nearly 40 percent reduction in weekly processing capacity. The result was catastrophic for cattle producers. While the industry has made tremendous strides toward recovery, the effects of this black swan event can still be seen in recent Cattle on Feed Reports, the cattle futures market, and in cash bidding throughout the fed cattle complex. Fortunately, no cattle were depopulated because of the supply shocks brought on by COVID-19. If we are to avoid making this the most humane option, every effort must be made to safeguard beef production in the meatpacking sector and ensure no further reduction in beef processing capacity occurs.

Workforce: Worker safety continues to be of paramount concern for cattle producers. The challenges packing plants and producer suppliers faced in the early stages of the pandemic were unprecedented. However, the supply chain remains intact today due to the critical infrastructure designation which ensured the availability of resources to implement critical protocols and best practices like providing supplemental protective equipment, implementing additional cleaning procedures, and employing social distancing in the plants. TCFA supported the Centers for Disease Control recommendation to first administer COVID-19 vaccines to health care workers and certain other high-risk individuals, and we greatly appreciate the prioritization of COVID-19 vaccinations for meat industry workers, including USDA inspectors and livestock suppliers.

Transportation: On May 26, the Federal Motor Carrier Safety Administration (FMCSA) announced an extension of the Hours-of-Service Emergency Declaration through August 31, 2021. TCFA anticipates there will be a continued need for this declaration through the duration of the pandemic. This critical step not only keeps cattle haulers in business, but it is also the only way to ensure grocery stores remained stocked by preserving movement across the supply chain even when the flow of commerce is disrupted by processing plant closures. USDA has often served an important role, advocating for the agricultural sectors unique transportation needs with Federal Motor Carrier Safety Administration, and we respectfully encourage USDA to maintain those efforts under the Biden Administration.

Ongoing Issues Facing the Industry and Recommended Solutions

Promote Economic Sustainability – Robust Price Discovery and Increased Processing Capacity: Profitability in the cattle production segments of the beef supply chain is largely influenced by producers' ability to discover prices at the fed cattle level. Since the chief end-value of beef cattle is the dressed carcass, prices paid for weaned calves, stockers, and feeders are a derivative of the fed cattle price. While there are myriad tools available to producers to discover price, the most widely utilized are the weighted average prices paid through negotiated transactions of fed cattle and reported under Livestock Mandatory Reporting (LMR).

USDA is prohibited by law from disclosing the identifying information or proprietary business information of reporting entities [7 U.S.C. § 1636(a)]. To implement this mandate, USDA established the "3/70/20" confidentiality guidelines in 2001. Under this provision, price reports are published provided three conditions are met for each report over the most recent 60-day time period:

- 1) At least three reporting entities provide data at least 50% of the time;
- 2) No single reporting entity provides more than 70% of the data for a report; and
- 3) No single reporting entity may be the sole reporting entity for an individual report more than 20% of the time.

While TCFA recognizes the Agency's requirement to balance the need for information with safeguarding confidentiality, the 3/70/20 guidelines have resulted in instances of nonreporting throughout the major cattle feeding regions. Recently, this problem has been most apparent in the Colorado region. Cattle producers rely upon the information reported under LMR to make informed business decisions on their operations and are placed at a competitive disadvantage when information is not published due to confidentiality. TCFA encourages USDA to revisit the 3/70/20 guidelines and evaluate innovative ways to reduce instances of nonreporting while adhering to statutory obligations.

TCFA appreciates and supports the wide array of LMR reports published by the Agricultural Marketing Service (USDA-AMS). Though LMR is a critical tool which provides essential information to cattle producers, improvements could be made to the implementation of the program to expand the information which is reported. As the industry evolves over time, TCFA encourages USDA-AMS to continuously solicit feedback from market participants to identify new useful information which could be published with regularity.

Processing Capacity & Negotiating Leverage

Adequate beef processing capacity is critical to maintaining profitability in the cattle industry and a steady supply of essential food products to consumers. Currently, there is a shortage of adequate processing capacity (commonly referred to as "hook space") throughout the system. A recent study by Rabobank found that excess operational beef processing capacity—or hooks available in addition to those used to process existing fed cattle supplies—fell to zero in late

2016 and turned negative in early 2017. The same study found that, under the current dynamics of supply and demand, the industry could economically accommodate an additional 5,700 hooks of daily processing capacity. This equates to roughly 1.5 million additional animals per year.

At present, the processing sector represents a bottleneck in the overall beef supply chain. The result has a negative effect on cattle producer leverage in fed cattle negotiations. When cattle supplies exceed the capacity to process them, the livestock become a less scarce resource and cattle prices decline. It is important to note that this is independent of demand for the end-product, in this case beef. The most pointed examples of this can be found in the 2019 fire at Tyson Foods' Finney County beef processing facility in Holcomb, KS, and the COVID-19 pandemic. In both cases, operational beef processing capacity utilization dramatically fell following temporary closures of high-throughput beef plants. As a result, cattle prices declined and boxed beef values drastically increased according to a report issued by USDA-AMS in the summer of 2020.

To improve producer leverage in fed cattle negotiations, processing capacity must be expanded. Herd contractions and expansions occur naturally over the course of a somewhat predictable ten-year cycle. Currently, U.S. cattle inventories are cyclically high, but beef demand is also high both domestically and in our major export markets. The clearest solution to meeting this demand while fostering profitability throughout the supply chain is to expand beef processing capacity.

Meatpackers of all sizes face similar operational challenges, the most consistent and severe of which is labor recruitment and retention. The largest barrier to entry, however, is access to sufficient capital for construction. The industry average startup cost for a meat processing facility is roughly \$100,000 per hook. This means that a 1,000-head-per-day plant would need to secure \$100 million in financing just to build the infrastructure. As a further complication, traditional lending institutions are sometimes unable to provide adequate financing due to the capital requirements of meatpacking business models.

Expanding domestic beef processing capacity is an important mid-to-long term strategy to improve resiliency in our supply chain. However, the existing infrastructure is being underutilized. Most major meatpackers are not operating plants at 100% throughput capacity. Unfortunately, due to the proprietary nature of firm-by-firm and plant-by-plant efficiency data, the exact number of hooks which are not being utilized is unknown. TCFA urges USDA to examine ways to support the industry in reaching 100% processing capacity utilization.

Promote Animal Health by Prioritizing Prevention and Preparedness:

Cattle producers recognize that a safe, secure, and healthy cattle herd is the foundation of a resilient cattle and beef supply chain. Without question, farmers and ranchers have long prioritized the welfare of livestock, recognizing that good animal health, care, production, and handling practices are essential to efficient and profitable production. The U.S. cattle and beef industry strongly supports investment in agricultural research related to animal health and productivity, coupled with producer education and extension services, to properly apply scientific advancements and innovations into our cattle operations to promote healthier cattle and greater stewardship of resources. The combination of scientific research and real-world application

strengthens our food production capabilities and increases the health and safety of our food animals and the people who care for them. TCFA encourages the Biden Administration to work closely with cattle producers in addressing issues related to animal health.

Prioritize Animal Disease Prevention and Preparedness:

TCFA served as a staunch advocate for the animal health provisions authorized under the 2018 Farm Bill, including expansions to the National Animal Disease Preparedness and Response Program (NADPRP) and the National Animal Health Laboratory Network (NAHLN), as well as the establishment of the National Animal Vaccine and Veterinary Countermeasures Bank (NAVVCB). These programs are critically important for the health and protection of our domestic cattle herd. Additionally, TCFA will remain an active participant in advancing an animal identification and traceability system. TCFA will continue to work with USDA's Animal and Plant Health Inspection Service to develop a platform for Radio-frequency identification (RFID) technology to improve animal disease traceability for the cattle industry while still prioritizing the need to safeguard data confidentiality, protect producers from liability concerns, operate at the speed of commerce, and provide an economically feasible technology transition with regard to tags and infrastructure requirements.

Monitor Safety of Imported Feed Ingredients:

There are growing concerns among veterinary health professionals that imported animal feed ingredients may serve as a vector for the transmission of animal diseases such as African Swine Fever (ASF) and Foot-and-Mouth Disease (FMD). The National Cattlemen's Beef Association (NCBA), of which TCFA is affiliated, is a member of the Feed Risk Task Force, consisting of experts from USDA-APHIS and the beef, pork, dairy, and animal feed sectors. The Feed Risk Task Force meets regularly to share information and recommendations to prevent the introduction of pathogens into and within the United States via imported feed products. The Feed Risk Task Force work led to the establishment of a resolution at U.S. Animal Health

Association (USAHA) in 2020 titled "Feed Import Restrictions to Protect Against ASF Importation in Feed". In summary, USAHA asked the U.S. government to restrict the importation of feed and/or feed ingredients from countries that are positive for ASF, and to create enforceable standards for affected countries to reduce the risk of importing contaminated feed or feed ingredients. While ASF does not directly impact cattle health, there is great concern that there is similar risk for the transmission of FMD in imported feed. TCFA encourages USDA and other pertinent agencies to work with the Feed Risk Task Force to identify risks associated with imported feed and feed ingredients and take necessary steps to reduce associated risks.

Improve Access to Biotechnology:

It is important for the Biden Administration to continue to modernize the regulatory framework for animal biotechnology. TCFA supports the establishment of regulatory pathways for animal biotechnology that facilitate innovation and provide timely solutions for existing problems of morbidity and mortality related to disease processes in cattle in the United States. Gene-editing technology offers the opportunity to alter the genome to eliminate some disease processes in animals and thereby, improve productivity, reduce antimicrobial drug use, and possibly even lower the risk for the development of antimicrobial resistance over time. TCFA encourages the

Biden Administration to strongly consider moving all pre-market and post-market regulatory authority for animal biotechnology (other than for medical uses) from the Food and Drug Administration to the United States Department of Agriculture through a mutual order of understanding between the two agencies. Greater access to biotechnology will empower cattle producers to innovate and improve production methods while addressing animal health and climate concerns.

Promote Antimicrobial Stewardship:

TCFA has demonstrated a long history of working to promote the responsible use of antimicrobial drugs to prevent, control, and treat diseases in cattle. As FDA implements their five-year strategy, Supporting Antimicrobial Stewardship in Veterinary Settings, TCFA hopes to continue to collaborate with the agency to achieve best stewardship practices while also preserving uses in animal agriculture for the antimicrobial tools necessary to prevent, control, and treat diseases in the U.S. cattle herd. We are especially interested in providing our feedback on a proposed concept paper concerning the duration of use labeling for medically important antimicrobial drugs used in animal feed that currently lack a defined duration of use. FDA supports veterinary oversight of antimicrobial drugs, and TCFA supports providing the necessary flexibility in duration of use labeling for veterinarians to provide adequate care for their animal patients.

Promote Cattle Producer Engagement to Address Antimicrobial Resistance:

In the past, the NARMS program, a collaboration between FDA, CDC, USDA, state and local health departments, and universities, has provided quality antimicrobial resistance information for use in making better informed decisions concerning antimicrobial drug use. However, TCFA remains concerned that the new NARMS strategic plan (2021-2025) is highly aspirational for a historically resource-limited program and will require increased interagency cooperation and resources to meet the newly expanded scope and enhanced objectives. TCFA also recognizes the greater role of bioinformatics for data analysis in NARMS and requests that the agency establish a clear science-based pathway for data attribution. We caution against the risk of sampling bias within complex and dynamic environments. Finally, TCFA requests a strong commitment by FDA for increased stakeholder outreach and interagency coordination for the NARMS program. TCFA was disappointed by the recent lack of agency collaboration with industry stakeholders, who have been consistently supportive of the NARMS program, when developing the updated NARMS strategic plan.

Ranking of Antimicrobial Drugs According to Their Importance in Human Medicine:

Historically, animal agriculture stakeholders have engaged more closely with the Center for Veterinary Medicine at FDA than with the other organizational units in the agency. Under a One Health approach, revisions to GFI #152 to promote human health should also protect animal health. Additionally, revisions should not be structured to encourage the use of antimicrobial resistance as a future non-tariff trade barrier.

The Importance of Technology in Addressing Animal Health and Achieving Climate Goals:

Multiple ionophores have been marketed for use in food animals in the United States since 1975. They were first identified as coccidiosis control agents in poultry, then were discovered to have significant performance advantages in cattle as well as coccidiosis control, reduction of rumen acidosis and bloat in beef feed lots, and pulmonary emphysema due to lush pasture conditions. Ionophores comprise the majority of non-medically important antibiotics sold for food animals in the United States. Antibiotic resistance to the ionophores is only able to be estimated based on epidemiological cutoffs, as no clinical cutoffs related to in-vivo efficacy have been established. No genetic resistance elements have been identified and genetic transfer has only rarely been suggested in the literature. Findings indicate that use of the ionophores in food animals poses an almost nonexistent risk to animal or human health, either through co-selection for medically important antibiotic resistance or altering bacterial populations to increase the shedding of potential foodborne pathogens. Maintaining access to this technology is critical to the cattle industry's ability to increase our sustainability footprint. Without these products, USDA will not see the agriculture industry reach its goals of reducing environmental impacts and increasing productivity.

TCFA also encourages USDA to collaborate with other federal agencies in prioritizing the approval of products that reduce enteric methane production while maintaining or improving animal performance. Products that reduce methane emissions at the expense of animal performance are fatally flawed and will likely never reach "scalability." To provide value to both producers and consumers, methane inhibitors should simultaneously limit direct methane emissions while increasing growth efficiency. USDA should consider these criteria when evaluating products to maximize the impact of taxpayer dollars.

Promote Safe and Efficient Transportation of Livestock:

Hours of Service Exemption for Livestock Haulers – Livestock haulers play an integral role in the U.S. cattle and beef supply chain by transporting cattle across the country. Unfortunately, current federal law imposes a significant burden on livestock haulers as well as potential risks for animal welfare in certain situations. The implementation of electronic logging devices (ELDs) and existing Hours-of-Service (HOS) rules pose unique challenges for livestock haulers. HOS rules limit livestock haulers to 14 hours of on-duty time, a maximum drive time of 11 hours, and then 10 consecutive hours of rest. These time requirements are insufficient for most trips made by livestock haulers and fail to accommodate the realities of hauling live animals across the country. Unlike drivers hauling consumer goods, livestock haulers cannot simply pull over and rest for 10 consecutive hours when they run out of drive time, because it is unhealthy for livestock to be left idle on a trailer for long periods of time. Also, unloading livestock can only occur in special facilities, and repeated loading and unloading of livestock creates stress for the animal and may compromise animal welfare.

While TCFA appreciates the Federal Motor Carrier Safety Administration (FMCSA) extending the emergency HOS exemptions for livestock haulers through August 31, 2021, there are long-term regulatory and statutory issues that need to be addressed in order to protect and shore-up

the supply chain. First of all, the cattle industry needs a continued exemption from the ELD mandate beyond the deadline of September 30, 2021. Secondly, the cattle industry needs greater flexibility to operate within the HOS requirements. The current HOS exemption allows anyone hauling agricultural commodities to be exempt from HOS rules as long as they are inside the 150-air mile radius (172 road miles) of their initial starting point for that day also known as the source.

TCFA hopes to secure the same exemption for the backend or destination of the agricultural commodity haul to provide further flexibility during the unloading period. It would be helpful to add this backend 150 air-mile exemption to the next surface transportation reauthorization bill and we will continue to work with Members of Congress to get this accomplished. This will require a commitment from Congress to make the necessary statutory changes in the surface transportation reauthorization bill, and a commitment from FMCSA to work with livestock producers to implement changes to HOS requirements.

Truck Weights – Since 1982, the federal gross vehicle weight limit has remained at 80,000 pounds on five axles. The steady increase in the speed of commerce due to growth in consumer demand has resulted in more trucks on the road. While the federal weight limit is restricted to federally-funded roads such as interstate highways, many states permit trucks that far exceed 80,000 pounds to operate on lower classification roads, driving through neighborhoods, by schools, and around other densely populated areas. The cattle sector depends on livestock haulers to ship cattle throughout the entire supply chain, and the added transportation costs due to truck weight restrictions creates a disparity in production costs for producers on the East and West Coasts. TCFA supports the inclusion of a program in the surface transportation reauthorization bill that would permit a ten-state pilot program to allow operation of vehicles weighing up to 91,000 pounds gross vehicle weight (GVW) with six axles on Interstate System Highways. We believe this ten-state, ten-year pilot program will not only shift truck traffic to the Interstate Highway System, reducing the need for trucks to drive on smaller, more hazardous roads, but also take more trucks off the road reducing overall greenhouse gas emissions.

Congestion at Ports – COVID-19 presented many supply chain challenges, including delays and disruptions at our ports. During the first months of COVID-19 shutdowns, the United States imported large amounts of lean beef trimmings from our trade partners in Australia and New Zealand—trimmings necessary to produce ground beef. Worker availability and shortages at inspection houses created supply chain disruptions that were fortunately resolved in a matter of days. Likewise, the lack of available workers to reload ships with exports added to the backlog and exacerbated supply chain disruptions. While many of the work force availability issues have improved, U.S. exports are still facing logistical challenges in our West Coast ports. There is strong demand for U.S. beef and other proteins in Asian markets, but we are hindered in fully capitalizing on that demand until the ongoing backlog is resolved.

Strengthen the Work Force of the Entire Supply Chain:

The U.S. cattle and beef industry operates at a more safe and efficient level than most countries because of our highly skilled labor force in both the pre-harvest and post-harvest sectors of the supply chain. To maintain this competitive advantage, it is important for the private sector and government to continue working together to support industry-led efforts in producer education and training, to address disruptions in labor supply by expanding access to skilled labor, and to reinforce food safety by ensuring access to food safety inspectors.

Promote Producer-Education and Quality Assurance Programs – The cattle industry is actively engaged in promoting training and education for cattle producers through coordinated efforts such as the Beef Quality Assurance Program (BQA). BQA is a nationally coordinated, state-implemented program that provides accepted scientific knowledge coupled with common sense husbandry techniques to raise cattle under optimum management and environmental conditions. BQA standards are consistent with principles found in the OIE Terrestrial Animal Health Code related to cattle, and BQA complies with the International Organization for Standardization (ISO) Animal Welfare Management/General Requirements and Guidance for Organizations in the Food Supply Chain. The ISO specification was developed in 2016 to provide a path for programs to show they are aligned with the principles of the World Organization of Animal Health (OIE) Terrestrial Animal Health Code and ensures the welfare of farm animals across the supply chain. BQA also reinforces principles of the Codex Alimentarius by instructing the creation and maintenance of Hazard Analysis Critical Control Points (HACCP) plans for livestock operations.

In response to the Centers for Disease Control (CDC) Challenge on Antimicrobial Resistance, TCFA worked to increase participation in the Beef Quality Assurance (BQA) program to ensure cattle producers are responsible and judicious in their use of antimicrobial products through every segment of the industry. As greater attention is afforded to production standards and improving supply chains, BQA should be viewed as an example of higher standards achieved through producer education and training. U.S. beef consumers at home and abroad will be pleased to know that more than 85 percent of U.S. beef comes from BQA-certified farmers and ranchers, and more than 90 percent of the cattle feeding capacity in the TCFA region is audited by TCFA, verified by a nutritionist and veterinarian, and re-certified annually.

Need for Skilled Labor in Pre-Harvest and Post-Harvest Sectors – The beef supply chain cannot function properly without a steady supply of skilled labor. Changes to visa and asylum programs could help alleviate some of the labor shortages experienced pre-COVID and post-COVID, but the federal government must provide communities with resources to assist these individuals and reduce the burden on local infrastructure. This includes allowing appropriate flexibilities to address near-term in-plant shortages, providing additional resources for workforce training and development for highly skilled technical workers, in-plant line operators, meat scientists, and veterinarians alike, and other potential regulatory changes to assist our year-round cattle industry overall in closing the gaps in our ongoing labor shortage. USDA should also encourage research and investment in the use of robotics and automation in the post-harvest segment.

Support for Federal Employees – Under the Federal Meat Inspection Act and related legislation, all meat, poultry, and egg products produced in the U.S., or imported meat products, must be inspected by a federal food safety inspector and that service must be paid for by the federal government. Without federal food safety inspection, no product can be sold or shipped interstate. FSIS inspectors and AMS graders are vitally important to the supply chain, and we encourage the government to continue designating them as essential staff who will not be subject to government shutdowns and political gamesmanship.

Encourage Climate Resiliency with Producer Engagement in Conservation Efforts:

Cattle producers are America's original environmentalists, and as such, we are instrumental in building a strong and sustainable supply chain. We rely on healthy soil, clean air, and clean water to raise healthy cattle and healthy families. We strive to improve our environment at every stage of production by being efficient, responsible, and respectful of our natural resources.

From the mountains of Montana to the swamplands of Florida, livestock producers carefully manage stocking rates to create a cultivated ecosystem that supports hundreds of thousands of wildlife species, including endangered or otherwise imperiled species that would not otherwise have suitable habitat. The U.S. currently has 140 million acres enrolled in conservation programs, resulting in cleaner water and air on a tract of land approximately the size of New York and California combined. Cattle grazing is the highest and best use of more than 800 million acres of permanent grassland, pasture, and rangeland, which accounts for nearly one third of the continental U.S. landmass. Much of the land cattle graze is not suitable for growing other food products. Raising cattle on it more than doubles the land area farmers and ranchers can use to raise food for the world's growing population. This acreage not only feeds cattle but also naturally sequesters carbon, a benefit compounded by ruminant grazing. Grazing builds deep root systems in prairie grasses, which improve soil health. Healthy soils retain more water, sequester more carbon, and increase the resiliency of our land. When properly managed, livestock grazing can be used as a tool to lower wildfire risk by controlling the amount, height, and distribution of grasses and forage that fuel wildfires.

TCFA encourages USDA to consider the vital role of cattle producers in building a strong and sustainable supply chain through voluntary conservation programs, range health and fire mitigation, collaborating to address air quality, providing sound regulatory guidance for producer compliance, and using science-based metrics to accurately measure climate factors.

Increase Efficiency of USDA Conservation Programs – USDA has multiple programs that allow for strong partnerships between agency officials and the public. TCFA supports investment in voluntary conservation programs to improve public investment in existing agency priorities, while also leveraging public and private investment for improved natural resource outcomes. Voluntary conservation practices supported by research and implemented by producers with technical assistance are the key to increasing efficiency and resilience. Years of dedicated research by USDA and land grant universities continue to develop and expand the conservation practices knowledge base.

TCFA urges USDA to bolster programs that keep land in production, rather than promoting programs that allow land to lay fallow and remove barriers to participation based on size or

gross income level. These “working lands” programs, including USDA’s Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP) cost-share programs, allow producers to manage their land efficiently while simultaneously contributing to our nation’s food supply. Land in production, whether it be crop fields or pastures with grazing cattle, provides a greater carbon sink than a fallow landscape. Ruminant grazing increases land’s ability to sequester carbon, by deepening root structures and encouraging photosynthesis. USDA-NRCS not only provides cost-share funding through its EQIP and CSP programs, but also technical assistance to farmers and ranchers who wish to implement conservation practices. The benefit of Conservation Technical Assistance (CTA) is its personalized approach: local NRCS employees work with agricultural producers to implement a suite of conservation practices best suited to fit the individual needs of each operation. Many of the solutions supported by NRCS’ Conservation Technical Assistance are the product of land grant university research and extension. Voluntary conservation practices, supported by research and implemented by producers with technical assistance, are the key to increasing efficiency and resilience.

As USDA works to improve agriculture’s environmental footprint, we encourage the government to forgo use of subjective metrics, such as potential climate impact, to determine eligibility to conservation programs. Any standards for conservation program access, including the conservation practice standards, should be rooted in science. Animal feeding operations utilize voluntary conservation programs to establish manure management systems and eliminate waste discharges. By shutting the door to producers who will most significantly benefit from conservation programs, efforts to limit access based on potential climate impact would directly reduce the programs’ overall environmental benefit. Greenhouse gas emissions cannot be considered in a vacuum; the Agency must consider how best to achieve holistic environmental improvements. Air quality, water quality, soil quality, and wildlife habitat are all necessary elements in establishing conservation programs that improve the overall environmental footprint of the industry.

Collaboration with Industry through the USDA Agricultural Air Quality Task Force (AAQTF) – This federal advisory committee has been an effective tool of collaboration between agricultural stakeholders and the USDA on issues concerning agricultural air quality. Prior iterations of the AAQTF provided a forum to submit formal recommendations to the Secretary of Agriculture, and TCFA recommends the Biden Administration continue this effort in a way that promotes inclusion of agricultural stakeholders.

Provide Producers with Sound Regulatory Guidance—Navigable Waters Protection Rule - In 2019, EPA, along with the U.S. Army Corps of Engineers, finalized the Navigable Waters Protection Rule – a replacement for the 2015 Clean Water Rule. America’s cattle producers need clean water to maintain successful operations; their families, livestock, and communities depend on it. However, the broad nature of the 2015 Clean Water Rule created significant regulatory uncertainty for farmers and ranchers across the nation. And while clean water is necessary, clear rules are equally important to ensure that farmers can pass their operations on

to the next generation. The Navigable Waters Protection Rule increases jurisdictional certainty for farmers and ranchers while ensuring that our nation's most vital surface waterbodies are protected.

In its first round of implementation guidance (issued in December 2020), EPA addressed CWA 404 Jurisdictional Determination elevation scenarios, ditches subject to the Normal Farming Activities exemption, and program coordination with USDA and USACE regarding Prior Converted Cropland determinations. TCFA generally supports the continued use of these guidance documents.

Using Science-Based Metrics to Accurately Measure Climate Factors—GWP* – As the government seeks to implement its climate strategy, TCFA urges the adoption of the GWP* methodology. GWP* accurately characterizes the warming potential of short-lived GHGs, such as methane.

The 100-year variant of the Global Warming Potential (GWP100) has been formally adopted in international climate policy (currently as established in the Kyoto Protocol, and in the draft text of the Paris Agreement) and standardized Life Cycle Assessment (LCA)/carbon-footprinting approaches). Subsequently, GWP100 has become the de facto standard for expressing emissions in the scientific literature and general media, having essentially become shorthand for the relative climate impacts of a given product or activity. Despite its ubiquity, the relationship between aggregate CO₂ Equivalent (CO₂-e) emissions calculated using GWP100 and global warming itself is ambiguous. Fundamentally, many of the shortcomings of the GWP100 calculation as a universal climate metric arise because it cannot sufficiently differentiate the impacts of long- and short-lived climate pollutants (SLCPs). In previous reports, the International Panel on Climate Change (IPCC) has acknowledged the shortcomings of current methods of reporting methane impacts, including GWP100. GWP* was first reported by the Climate Dynamics research team at the University of Oxford in 2018, led by Myles Allen (commonly referred to as “the physicist behind net zero”) and has been gaining acceptance in the scientific community as a GWP calculation that more effectively measures the global warming impact of methane.

Under the United Nations Framework Convention on Climate Change (UNFCCC), reporting of GHG emissions has been standardized in terms of CO₂-equivalent (CO₂-e) emissions using Global Warming Potentials (GWP) over 100 years, but the conventional GWP100 methodology does not adequately capture the different behaviors of long-lived climate pollutants (LLCPs) and SLCPs. The atmospheric lifetime and radiative impacts of different GHGs differ dramatically. Acknowledgement of this reality led to the widescale adoption of the GWP100 methodology. GWP100 equates emissions using a scaling factor – CO₂-e. GHGs are assigned a GHG equivalency, then that number is used to determine the emissions' potential impact. Following GWP100, a pound of methane equates to 25 pounds of CO₂. Thus, methane is calculated as 25CO₂e. However, this simplified scaling factor fails to recognize the amount of time emissions remain in the atmosphere – an equally important factor in determining potential atmospheric impact. The GWP* methodology seeks to remedy this oversight.

Anthropogenic warming estimations are largely determined by the cumulative total emissions of LLCs and the emission rates of SLCPs. GWP* equates an increase in the emissions rate of an SLCP with a single “pulse” emission of CO₂, and thus considers not only the initial intensity of GHGs, but also the amount of time that they remain in the atmosphere. This approach is a significant improvement on the conventional GWP100 methodology. Further, the GWP* methodology modifies the conventional GWP definition to consider CO₂ warming equivalents (CO₂-we) rather than CO₂-e. Following GWP*, SLCPs can be incorporated directly into carbon budgets consistent with long-term temperature goals, because every unit of CO₂-we emitted generates approximately the same amount of warming, whether it is emitted as a SLCP or a LLC. This is not the case for conventionally derived CO₂-e measurements. The adoption of accurate emissions methodology is necessary to ensure that national and international climate policies achieve desired outcomes. TCFA urges the United States’ adoption of GWP*, and further asks the United States to promote GWP* adoption internationally.

Promote Economic Sustainability through Market-Based, Rules-Based, and Science-Based Trade Policies:

Impact of COVID-19 on Trade – At the beginning of 2020, U.S. cattle producers were optimistic that export sales would significantly increase due to expanded duty-free access in the European Union, removal of Japan’s massive 38.5 percent tariff, and the removal of numerous non-tariff trade barriers as part of the trade deal with China. The first quarter showed much promise as sales were up 8% (through March) over the previous year, driven primarily by strong growth in Japan and Korea despite the first signs of COVID-19 disrupting the markets in Asia. Unfortunately, as we moved into the second quarter, we began to see our vulnerabilities exposed by the pandemic, and the complex and highly fragmented nature of the cattle and beef supply chain created a unique set of challenges for each segment of our industry. Further, the extreme market volatility resulted in disproportionate economic harm for cattle producers, with initial estimates projecting roughly \$13.6 billion in total economic damage.

In the past few years leading up to 2020, the United States was a net exporter of beef. That trend continued into the first quarter of 2021 until COVID-19 hit. The increased demand for ground beef and limited supply of domestic lean trimmings created an increase in demand for lean beef imports. In 2021, beef imports are down nearly 11% and exports have started to recover in Asian markets. Fortunately, we were able to make it through 2020 without being forced to euthanize cattle, we avoided bans and closures in all major markets, and we are in a much better position to recover faster and stronger due to the removal of tariff and non-tariff trade barriers in recent trade deals. In fact, 2021 is proving to be a positive year for U.S. beef exports with a 10 percent increase in global sales, and an increase of 1318 percent in beef sales to China.

Importance of Interagency Coordination Between USDA and other Agencies – TCFA greatly appreciates the team effort of USDA, USTR, U.S. Department of State, and other agencies in expanding market access for U.S. beef in key Asian markets where we previously faced non-tariff trade barriers such as age-based restrictions due to Bovine Spongiform Encephalopathy, bans on growth promotants and production technologies, onerous traceability

requirements, and other arbitrary restrictions not based on objective scientific standards. TCFA strongly encourages the continuation of the close partnership of USDA and other agencies to continue removing non-tariff trade barriers and promoting science-based standards.

Avoid Marketing Policies That Trigger Retaliation – Unfortunately, there are some people in the cattle and beef industry who do not support the free-market principles that have greatly benefitted our industry, and they are seeking the return of divisive policies like mandatory country-of-origin labeling (MCOOL), a law that Congress repealed in 2015. When MCOOL was law, the compliance costs were an excessive additional cost on every segment of the supply chain that led to the closure of feed lots and packing plants across the country. Studies show that MCOOL did not provide a net benefit to consumers or cattle producers. Most damaging of all, MCOOL resulted in WTO-sanctioned tariffs of \$1 billion from Canada and Mexico. The tariffs were avoided because Congress repealed MCOOL, but Canada and Mexico still retain the right to retaliate if MCOOL is restored. It is also important to remember that if Canada and Mexico retaliate against the United States, there is currently no functioning WTO Appellate Body to resolve the dispute.

At the same time, the cattle industry is taking steps to address genuine producer concerns with the current use of generic “Product of USA” label. The best way to have true product differentiation is to use origin labeling marketing claims that are verified and voluntary. We will support efforts to ensure that accurate and voluntary origin labels are in place to benefit cattle producers and consumers.

Push Back Against European Policies That Undermine Science-Based Veterinary Practices – While the United States is fully invested in harnessing the benefits and efficiencies of science-based trade, the European Union considers science as a secondary factor by embracing a philosophy called “the precautionary principle.” The precautionary principle is simply known by the following: “better safe than sorry.” Under EU law, the precautionary principle provides for “rapid response” to address “possible danger to human, animal, or plant health, or to protect the environment” and can be used to “stop distribution or order withdrawal from the market of products likely to be hazardous.” The EU continues to invoke the precautionary principle to justify its policies regarding various regulatory issues and generally rejects arguments, on the grounds of risk management, that the lack of clear evidence of harm is not evidence of the absence of harm. A prime example of the precautionary principle is the EU’s ban on production technologies such as hormones and beta agonists. These are examples of two FDA-approved technologies that are commonly used in U.S. cattle production and in many countries around the world. And while the European Union does not have peer-reviewed science and risk assessments to justify their bans of these technologies, they hide behind the precautionary principle as a protectionist measure to restrict beef imports from the United States and other countries who use these safe and efficient technologies.

In June 2018, the EU adopted veterinary medicines legislation that contains the “concept of reciprocity” for antimicrobial drug use practices—commonly referred to as Article 118. Under this new rule, the EU will no longer set antimicrobial resistance policies on a risk-assessment but will use hazard-based analysis. Lowering the scientific threshold to restrict the use of veterinary medicines could have negative impacts on animal health and will most likely be used

as the European Union as another unjustified non-tariff trade barrier. Under the terms of Article 118, all countries exporting animals or animal products (meat, milk, eggs, fish) to the European Union must follow antimicrobial use guidelines from the EU and not administer any antimicrobials that are restricted from use in food-producing animals in the EU. Reciprocity is not legal under the WTO and the United States must take all necessary steps to prevent the EU from diluting the importance of science-based trade standards. The veterinary medicines legislation will be implemented in January 2022.

The EU has not been transparent in this process and has not provided direction on the scope of restricted antimicrobials or the implementation of the restrictions. In short, we do not know the names of potentially restricted antimicrobials, the potential scope of restrictions on beef products, testing methodology, or process of implementation. While the intent of Article 118 may be good, the application could result in major problems for animal health and consumer safety. From a trade perspective, the application of these changes could give the European Commission multiple avenues to erect non-science-based restrictions on American agricultural goods.

TCFA applauds the U.S. government for publicly opposing Article 118 at a recent meeting of the WTO Committee on Sanitary and Phytosanitary standards. The U.S. was not alone, with Paraguay, Australia, Canada, Japan, Argentina, and Brazil also registering formal complaints. If the EU does not address these concerns and enacts the proposed legislative changes, it may necessitate future WTO action.

Beware of Emerging Non-Tariff Trade Barriers in Climate Policy – In order to achieve the goal of climate neutrality by 2050, the EU Green Deal includes a proposal to establish a carbon border adjustment mechanism (i.e. carbon border tax) to reduce the risk of “carbon leakage” by assessing a tax on imported goods based on carbon content and origin of the good. “A carbon price imposes costs, and if foreign suppliers do not bear these costs, they will gain an advantage. Over time, production will shift to jurisdictions that do not impose this tax, and the country that imposed the measure in the first place will have punished its industry while doing little to limit (global) emissions. The solution to this problem, so far, has been to exempt industry from having to pay these costs by allocating emission rights to them for free. Now Europe wants to impose a cost on imported goods to offset whatever advantage they might have.” By exporting EU regulations, the EU will use its economic power to strong arm the developing world into adopting its standards. This is an approach we have seen many times in international forums on animal health.

Likewise, in response to media coverage of fires in the Amazon, the EU is considering new restrictions on imports of goods from Brazil and other countries where deforestation may occur. The concept requires companies to verify that their imported goods are not sourced from lands that have been deforested or from lands of displaced indigenous peoples. The theme of supply chain accountability is one that is gaining broader support in Europe, the United Kingdom, Japan, and the United States. Some legislative proposals in Congress would extend the Lacey Act to include imported goods from deforested lands.

The truth is we do not have a deforestation problem in the United States. While some may prefer to use measures like this to restrict beef imports from other countries, it would set a dangerous precedent that may be used against us in the future by simply substituting deforestation with another subjective term. It is important that we commit to using objective, science-based standards at all times, and avoid following the European example of subjective trade.

Ensure Proper Regulatory Oversight of Cell-Cultured and Plant-Based Products – Cattle producers welcome competition and consumer choice, but the regulations governing alternative protein products must protect consumer health and well-being, prevent false and deceptive marketing, and ensure a level playing field for real beef products and meat analogues alike. Cell-cultured or lab-grown products are food products that are made using novel cell culture technologies in a controlled environment to manufacture a product that is biologically similar to meat. These products are not currently available to consumers in the United States, and proposed standards governing the oversight of lab-grown products have not yet been subject to any formal rulemaking. FDA recently published a Request for Information on the “labeling of foods comprised of or containing” cell-cultured seafood, in which FDA notes that it intends to use the information and data resulting from the request “to determine what type(s) of action, if any, [it] should take to ensure that these foods are labeled properly.” TCFA understands USDA FSIS similarly plans to issue an Advance Notice of Proposed Rulemaking seeking more information on the finished product characteristics of cell-cultured meat and poultry products as both agencies work towards establishing appropriate mandatory labeling requirements. TCFA supports the critical role of USDA in the joint oversight of cell-cultured products and we encourage the Biden Administration to further clarify and finalize the details of this regulatory framework, including efforts to establish mandatory labeling requirements that appropriately differentiate cell-cultured products from their conventional counterparts.

Plant-based foods are products that are made entirely from plant sources but seek to mimic real beef in every way including: taste, smell, texture, appearance and even cooking experience. These products have been available to consumers for decades but, in recent years, the purveyors of these products have turned to problematic marketing strategies that disparage real beef products in an effort to grow their market share. The Federal Food Drug and Cosmetic Act (FFDCA) delegates FDA oversight authority for all plant-based products, whereas real beef is regulated by USDA under the Federal Meat Inspection Act (FMIA). FFDCA has very clear misbranding provisions almost identical to those under FMIA. However, unlike USDA’s mandatory labeling pre-approval process, FDA will only seek enforcement action after a misbranded product has entered the market. TCFA believes the simplest solution to rectify misleading plant-based labels is for FDA to enforce the law as it stands. Absent meaningful enforcement action against misbranded imitation products, TCFA supports efforts to codify a standard of identity for the term “beef.”

Cattle producers work hard to produce a safe, affordable and nutritious protein product – the word beef not only represents that product but is synonymous with a brand that has been cultivated through decades of hard work and investments made by farmers, ranchers, and

feeders across America. To that end, TCFA supports legislative and regulatory strategies that will allow alternative protein products to appropriately differentiate themselves in the market without trading on beef's good name.

Promote a Secure Supply Chain through Increased Cyber Security:

Recent cyber-attacks on critical infrastructure such as an interstate petroleum pipeline and a global meatpacking company have encouraged American companies to review security systems for potential vulnerabilities and take necessary steps to prevent and deter future attacks. In particular, the attack on the meatpacking company gained attention from cattle producers who have experienced multiple supply chain disruptions due to weather and COVID-19, and the prospect of future cyber-attacks may result in further supply chain disruptions and market volatility.

Without question, securing the health and safety of the agriculture industry from terrorist groups and other negative influences is a serious concern, and protecting our agricultural industry is vitally important for a stable, self-sufficient food source for U.S. consumers. TCFA supports new initiatives concerning acts of terrorism against livestock to strengthen penalties for anyone involved in terrorist activities affecting the agricultural industry. TCFA also calls for increased coordination of local, state, and federal officials to effectively monitor and respond to threats against the agriculture industry. It is important that any measures designed to protect and strengthen the cattle and beef supply chain from cyber-attack are created with stakeholder input and coordination.

Recognize Industry Efforts to Adhere to Animal Disease Traceability Rules While Supporting Industry-led, Private Sector Traceability Initiatives:

One common theme that spans the entire pre-harvest sector is the issue of animal disease traceability (ADT) – knowing where diseased and at-risk animals are located, and where and when they travel. ADT is key to the United States' ability to effectively respond to an animal disease outbreak. TCFA has long supported animal identification and disease traceability for animal health purposes and believes that the goal of any identification program should be to enable the cattle industry, state, and federal animal health officials to respond rapidly and effectively to animal health emergencies. TCFA believes that animal identification and disease traceability has the potential to reduce the number of animals involved, to streamline response times, to safeguard the food supply chain, and allow unaffected producers to safely operate their businesses.

Published in 2013, USDA's ADT rule established minimum national official identification and documentation requirements for traceability of livestock moving interstate. Under this rule, and unless specifically exempted, livestock belonging to the species covered by the regulations and moving interstate must be officially identified and accompanied by an interstate certificate of veterinary inspection or other documentation. In September 2018, USDA published the APHIS Over-Arching Goals to Enhance Traceability, which include electronic identification tags for certain animals and increased data-sharing. TCFA's ADT goals are aligned with USDA's long-term strategy on this issue.

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TCFA is also working with cattle producers, USDA, and animal health experts to build traceability systems that operate at the speed of commerce, protect confidentiality, keep cattle identification data secure, and protect cattle producers from liability once the animals have left their control. TCFA supports the efforts of U.S. CattleTrace, a private-sector project that launched in August 2018. This non-profit corporation collects just four data points — animal identification number, date, time, and GPS location of the readers — and securely manages this data for animal disease traceability. The program began in Kansas and has expanded to Texas, Florida, and other beef-producing regions across the United States. Additionally, the program includes participation from key supply chain businesses and meatpackers. Traceability systems should prioritize animal health to function as an effective tool in strengthening our supply chain.

Again, TCFA appreciates the opportunity to submit comments in response to the Agricultural Marketing Service (AMS) Notice on Supply Chains for the Production of Agricultural Commodities and Food Products and looks forward to working with USDA on initiatives to bolster cattle and beef supply chain resiliency under President Biden’s “America’s Supply Chains” Executive Order 14017.

Sincerely,

A handwritten signature in cursive script that reads "Ross Wilson". The signature is written in black ink and is positioned above the printed name and title.

Ross Wilson
President & CEO